

By: Johnson

H.B. No. 430

A BILL TO BE ENTITLED

AN ACT

relating to the provision of payment history information to consumer reporting agencies.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Chapter 20, Business & Commerce Code, is amended by adding Section 20.055 to read as follows:

Sec. 20.055. CONSUMER PAYMENT HISTORY INFORMATION. A consumer reporting agency to which a consumer's payment history information is provided under Chapter 606 of this code, Section 559.0535, Insurance Code, or Section 17.010, Utilities Code:

(1) shall include the information in the consumer's consumer file and report;

(2) shall use the information in computing any credit score developed by the consumer reporting agency; and

(3) may not use the consumer's decision not to require a business to report payment history information under Chapter 606 of this code, Section 559.0535, Insurance Code, or Section 17.010, Utilities Code, in evaluating the consumer.

SECTION 2. Title 12, Business & Commerce Code, is amended by adding Chapter 606 to read as follows:

CHAPTER 606. REPORTING OF CONSUMER PAYMENT HISTORY INFORMATION

Sec. 606.001. DEFINITIONS. In this chapter:

(1) "Business" means a person who provides services to a consumer in exchange for money or another thing of value.

1 (2) "Consumer," "consumer report," and "consumer
2 reporting agency" have the meanings assigned by Section 20.01.

3 (3) "Payment history information" means information
4 regarding whether a consumer has paid for services provided by the
5 business in a timely manner or as agreed to by the business and
6 consumer.

7 Sec. 606.002. ELECTION BY CONSUMER TO REQUIRE REPORTING OF
8 PAYMENT HISTORY INFORMATION. (a) If a business uses a consumer's
9 consumer report before providing services to the consumer, the
10 business shall permit the consumer to elect annually to require the
11 business to provide to consumer reporting agencies the consumer's
12 payment history information.

13 (b) If a consumer elects under Subsection (a) to require a
14 business to provide payment history information, the business shall
15 quarterly or more frequently provide the consumer's payment history
16 information to at least three consumer reporting agencies that
17 compile and maintain files on consumers on a nationwide basis.

18 Sec. 606.003. DURATION. An election under Section 606.002
19 remains in effect until the earlier of:

20 (1) the first anniversary of the date on which the
21 consumer notifies the business of the election; or

22 (2) the date on which the business ceases to provide
23 services to the consumer.

24 Sec. 606.004. FEE. A business may charge a consumer a
25 reasonable fee to offset the expenses incurred in providing payment
26 history information to consumer reporting agencies if the consumer
27 elects under Section 606.002 to require the business to provide the

1 information.

2 SECTION 3. Subchapter B, Chapter 559, Insurance Code, is
3 amended by adding Section 559.0535 to read as follows:

4 Sec. 559.0535. CONSUMER ELECTION TO REQUIRE REPORTING OF
5 PAYMENT HISTORY INFORMATION. (a) In this section, "payment
6 history information" means information regarding whether an
7 insured made required payments to the insurer in a timely manner or
8 as agreed to by the insurer and insured.

9 (b) If an insurer uses a credit score or credit information
10 in the underwriting or rating of a policy issued to an insured, the
11 insurer shall permit the insured to elect annually to require the
12 insurer to provide to consumer reporting agencies the insured's
13 payment history information.

14 (c) If an insured has elected under Subsection (b) to
15 require an insurer to provide payment history information, the
16 insurer shall quarterly or more frequently provide the insured's
17 payment history information to at least three consumer reporting
18 agencies that compile and maintain files on consumers on a
19 nationwide basis.

20 (d) An election under Subsection (b) remains in effect until
21 the earlier of:

22 (1) the first anniversary of the date on which the
23 insured notified the insurer of the election; or

24 (2) the date on which the insurer ceases to provide
25 insurance coverage to the insured.

26 (e) An insurer may charge an insured a reasonable fee to
27 offset the expenses incurred in providing payment history

1 information to consumer reporting agencies if the insured has
2 elected under Subsection (b) to require the insurer to provide the
3 information.

4 SECTION 4. Subchapter A, Chapter 17, Utilities Code, is
5 amended by adding Section 17.010 to read as follows:

6 Sec. 17.010. CONSUMER PAYMENT HISTORY INFORMATION. (a) In
7 this section:

8 (1) "Consumer" and "consumer reporting agency" have
9 the meanings assigned by Section 20.01, Business & Commerce Code.

10 (2) "Utility payment data" has the meaning assigned by
11 Section 17.008.

12 (b) A service provider that obtains utility payment data
13 relating to a customer who is a consumer before providing a product
14 or service to the consumer shall permit the consumer to elect
15 annually to require the service provider to provide to consumer
16 reporting agencies the consumer's utility payment history
17 information.

18 (c) If a consumer elects under Subsection (b) to require a
19 service provider to provide utility payment history information,
20 the provider shall quarterly or more frequently provide the
21 consumer's utility payment history information to at least three
22 consumer reporting agencies that provide that information to
23 service providers.

24 (d) An election under Subsection (b) remains in effect until
25 the earlier of:

26 (1) the first anniversary of the date on which the
27 consumer notifies the service provider of the election; or

1 (2) the date on which the service provider ceases to
2 provide the product or service to the consumer.

3 (e) A service provider may charge a consumer a reasonable
4 fee to offset the expenses incurred in providing utility payment
5 history information to consumer reporting agencies if the consumer
6 elects under Subsection (b) to require the service provider to
7 provide the information.

8 SECTION 5. This Act takes effect September 1, 2011.